

ICS 4204-89

11 January 1989

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence

FROM: Lieutenant General Edward J. Heinz, USAF  
Director, Intelligence Community Staff

SUBJECT: National Academy of Public Administration (NAPA) Report  
on Intelligence Civilian Personnel Systems

1. Attached for your signature are letters transmitting the final NAPA Report to the Chairmen of the Senate Select and House Permanent Select Committees on Intelligence. The Report was required by the Fiscal Year 1988 Intelligence Authorization Act and is due to the Congress by 23 January 1989.

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2. The transmittal letters indicate your broad agreement with the Report and emphasize your endorsement of certain critical recommendations that address management flexibility, Community coordination of personnel issues, and equal opportunity.

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3. A typescript of the Report is also attached for your information. There are only a few minor differences between the typescript and the draft sent to you for review last month. After we receive the transmittal letters with your signature, we will attach printing-plant quality copies of the Report and deliver them to the Congress.

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Edward J. Heinz  
Lieutenant General, USAF

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Attachments:

- A. Letters for Signature
- B. Final NAPA Report

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SUBJECT: National Academy of Public Administration (NAPA) Report on  
Intelligence Civilian Personnel Systems

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The Director of Central Intelligence

ICS 4202-89

Washington, D.C. 20505

18 January 1989

The Honorable Anthony C. Beilenson, Chairman  
Permanent Select Committee on Intelligence  
House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

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In accordance with the Intelligence Authorization Act of 1988, I am pleased to transmit the enclosed National Academy of Public Administration (NAPA) Report on civilian personnel systems within the Intelligence Community. NAPA has conducted an extensive examination of the various human-resource management systems employed by the elements of the Intelligence Community, and has produced a comprehensive, insightful Report analyzing the major personnel issues that confront the Intelligence Community. Skilled and highly motivated intelligence personnel are the cornerstone of effective intelligence support; implementing the recommendations contained in the NAPA Report would go a long way toward helping the Community attract and retain talented personnel, particularly in an environment of fiscal restraint. (U)

The NAPA Report has embraced several concepts which are important to the Intelligence Community. NAPA acknowledges that intelligence organizations and activities, while part of a larger Community, are quite different from each other and require diverse--rather than uniform--personnel treatment. NAPA support for such tailored human-resource management parallels that of the Office of Personnel Management, which advocates greater decentralization of personnel policies throughout the federal government. Finally, NAPA endorses completely the need for flexibility in human-resource policies in order to attract and maintain effective staffs, given the unique requirements and conditions found in intelligence work. (U)

Although the NAPA Report contains a number of recommendations, there are a few whose implementation, I believe, is critical. First, I strongly endorse NAPA's recommendation that all intelligence agencies be given the authority, similar to that of CIA, to select, appoint, and compensate staff in order to attract and retain a high-quality work force. The Report shows that the flexibility in human-resource management policies provided by such authority is essential to meet the intelligence challenges we face. More importantly, it notes that the lack of such flexibility has hindered the efforts of some intelligence agencies in building an effective work force. Clearly, we in the Intelligence Community face personnel problems that differ significantly from those faced by other federal agencies. These will be made even more difficult by the ominous demographic trends and the increasing technical and operational demands being made on the Community. In order to carry out our unique mission effectively, these expanded personnel authorities are critical. (U)

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The Honorable Anthony C. Beilenson

Second, I support NAPA's finding that the Intelligence Community can do more to share its best thinking on the subject of human-resource management and endorse the concept of the Senior Coordinating Group. While informal interagency cooperation on issues such as training, recruitment, career development, and compensation policies already exists, a more formal approach would enhance the effectiveness of these activities within the Intelligence Community and lead to better understanding in the Intelligence Oversight Committees. Better communication and understanding of human-resource management initiatives, proposed by individual intelligence agencies, vetted through a group such as the Senior Coordinating Group, would benefit all concerned. (U)

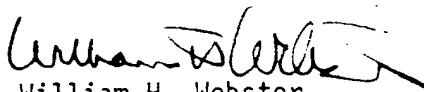
Third, I strongly endorse NAPA's recommendations concerning the need for the intelligence agencies to make a greater effort to recruit and retain a diverse work force. As you know, I have pledged my personal commitment to working with the senior members of the Intelligence Community to make as much progress as possible in attracting and advancing minority members of our society. (U)

Finally, several of the intelligence agencies have delayed implementing or proposing new personnel initiatives pending the completion of the NAPA study; i.e., NSA's flexible pay and bonus proposal and CIA's flexible benefits program. In their Report, NAPA has endorsed the implementation of both initiatives. Given their support, I see no reason to further delay these or other similar proposals and will suggest that representatives from these agencies meet with your staff to discuss implementation as soon as possible. (U)

I am sure you will agree that the NAPA Report presents both the Intelligence Community and the Oversight Committees with the opportunity to make a significant improvement to the capabilities and quality of national intelligence. Our next step will be to identify and, where appropriate, prepare legislative proposals that will be needed to implement NAPA's recommendations. I look forward to working with you and your staff on the issues and recommendations discussed in the Report, and am confident that together we can take the necessary steps to replace rigid and obsolete personnel management practices with modern and more effective systems. (U)

A copy of the Report is also being sent to the Chairman, Senate Select Committee on Intelligence. (U)

Sincerely yours,

  
William H. Webster

Enclosure  
As Stated

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SUBJECT: NAPA Report Transmittal to Chairman, HPSCI

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National Academy of Public Administration  
Chartered by Congress

January 19, 1989

The Honorable William H. Webster  
Director of Central Intelligence

Dear Mr. Webster:

On behalf of the Academy panel which reviewed the intelligence agencies' personnel systems, I submit to you *The Intelligence Workforce for the 1990s: A Review of Personnel and Compensation Systems to Meet Current and Future Missions.*

This report fulfills the requirement, contained in Title VII of the Intelligence Authorization Act for Fiscal Year 1988, that the Academy undertake a comprehensive review and comparative analysis of all personnel management and compensation systems affecting civilian personnel of agencies and entities in the Intelligence Community.

The panel and its project staff appreciate the continual cooperation of the many staff throughout the Community who provided information during the study. Their assistance enabled us to complete a thorough study within the time frames mandated by Congress.

Sincerely,

Philip A. Odeen  
Panel Chair